

# **California Energy Commission Survey of Public Benefit Programs of Publicly-Owned Utilities in California**

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**1999**

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June 22, 1999

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# Survey of Public Benefit Programs of Publicly-Owned Utilities in California

AB 1890 legislation requires all publicly-owned utilities (POUs) to implement a non-bypassable surcharge to fund public benefit programs. The legislation also includes a formula for calculating this public benefit charge and a description of what values are to be used in the formula.

The values to be used are taken from the expenditures AB 1890 requires the investor-owned utilities (IOUs), Southern California Edison, Pacific Gas & Electric and San Diego Gas and Electric to make on public benefit programs. The required expenditures for each IOU are then totaled and divided by each IOUs' total revenue requirement for the year ended 1994. This calculation yields a percentage. The lowest percentage of the three IOUs is the minimum charge that AB 1890 requires the POUs collect.

The California Municipal Utility Association put together an AB 1890 Benefit Program Guidebook and it highlighted various ways the public benefit charge could be calculated. The percentage that most of the POUs decided to use is 2.85 percent of their total revenues collected. The specific percentage of 2.85 percent was not written into the legislation and therefore the actual amount of funds allocated to public benefit programs may vary for each POU.

The public benefit program categories to which the POUs have allocated money include:

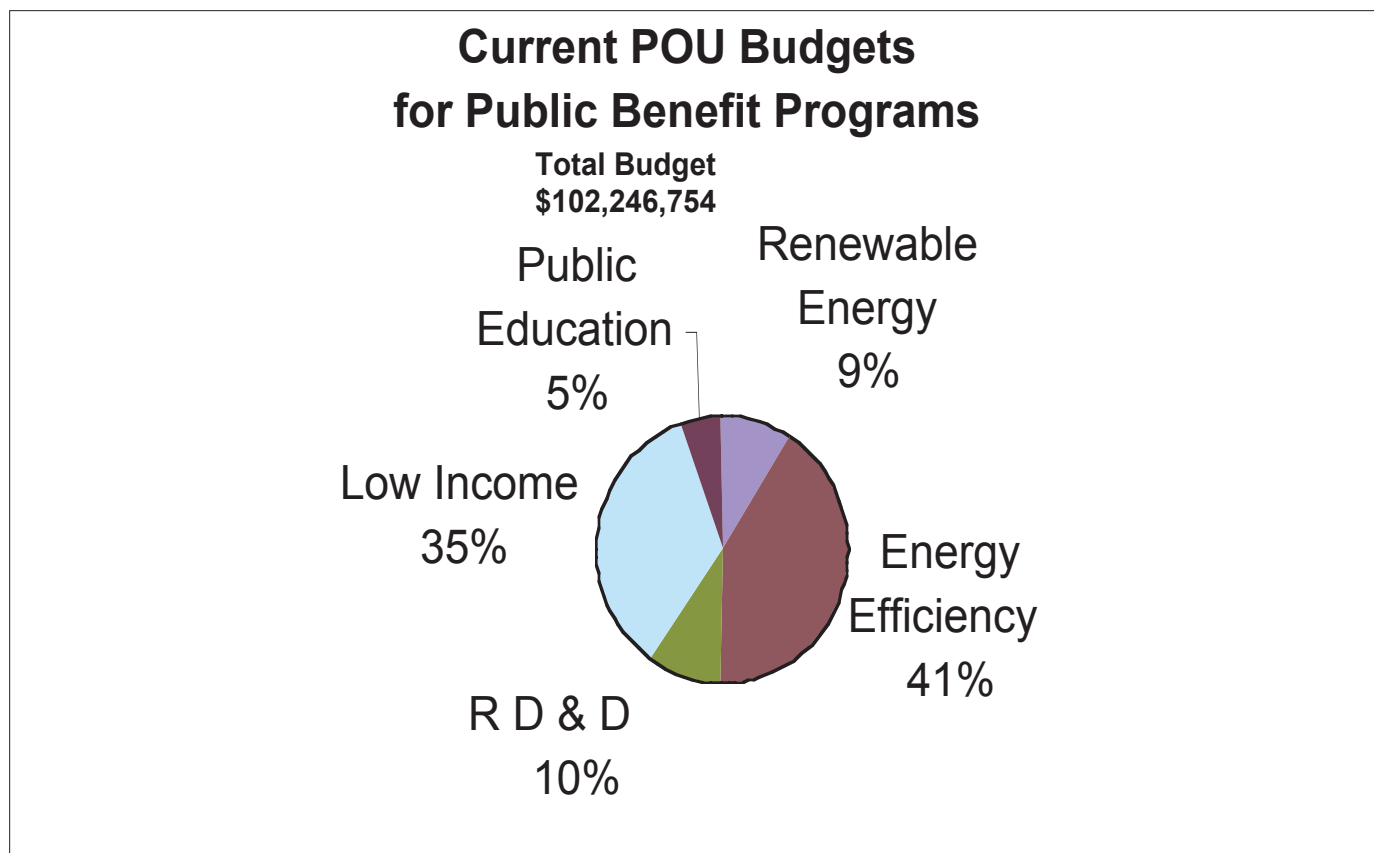
- Low-Income Assistance Programs
- Energy Efficiency and Demand-Side Management Programs
- Research, Development and Demonstration Programs
- Renewable Energy Technology and Resource Programs

Nine representative POUs in California contributed information for this survey:

<b>Southern California</b>	<b>Central California</b>	<b>Northern California</b>
Los Angeles Department of Water and Power	Lodi Electric Utility	The City of Redding
Pasadena Water & Power	Modesto Irrigation District	Sacramento Municipal Utility District
Anaheim Public Utilities	Turlock Irrigation District	
Imperial Irrigation District		

## Summary of Survey

This survey of California POU's details the type of public benefit programs that are currently being offered and the amount of money designated to fund them. The majority of the information indicates the POU's are continuing to develop new public benefit programs to serve their communities. The following chart provides a breakdown of these programs, which indicates that Low-Income Assistance and Energy Efficiency are receiving the bulk of the money.



- The City of Redding and LADWP are the only POU's that fund a Public Education category

## Southern California

### Los Angeles Department of Water and Power

**Table 1** below provides a breakdown of how public benefit money has been budgeted and presented to the City Council for 1998-1999. The amount of money budgeted is subject to change prior to expenditure.

<b>Table 1</b>	
	Dollar Amount
Low-Income Assistance (no program specifics)	\$25,600,000
Energy Efficiency (see below)	\$14,700,000
New Technology & R D & D (see below)	\$ 5,000,000
Renewable Energy (see below)	\$ 4,200,000
Community Based Projects (see below)	\$ 5,000,000
<b>Total</b>	<b>\$ 54,000,000</b>

1. Energy Efficiency

Residential

- a) Lighting Discounts
- b) Low Flush Toilet Rebates
- c) High Efficiency Washer Rebates

Business

- a) Lighting Retrofit and Recycling Program
- b) Refrigeration and Audits
- c) HVAC Incentives

2. New Technology and R D & D

- a) Electric Transportation Program
- b) Electric Buses
- c) Electric-vehicle friendly infrastructure throughout city

3. Renewable Energy

- a) Solar – Photovoltaic Systems and Solar Thermal Systems
- b) Small Hydro
- c) Wind Turbines
- d) Geothermal – Steam Energy
- e) Biomass – Organic Matter

4. Community Based Projects

- a) Education Initiatives
- b) Education Programs
- c) Education Partnerships

Darlene Battle and Penny Starros contributed information for this report. More detailed information can be found at LADWP's website: [www.ladwp.com](http://www.ladwp.com)

## Pasadena Water and Power

**Table 2** below provides a breakdown of how public benefit money has been budgeted for 1998-1999. The amounts budgeted are subject to change prior to expenditure.

<b>Table 2</b>	
	Dollar Amount
Low Income Assistance (see below)	\$ 750,000
Energy Efficiency (see financial breakdown below)	\$2,010,000
RD&D & Renewable Energy (see below)	\$ 280,000
<b>Total</b>	<b>\$3,040,000</b>

1. Low-Income Assistance
  - a) Rate Subsidy
  - b) Refrigerator Trade-In Program
2. Energy Efficiency (specific program information unavailable at this time).
  - a) Residential Funding \$800,000
  - b) Business Funding \$960,000
  - c) School Funding \$250,000
2. R D & D and Renewable Energy
  - a) Electric Vehicle Program
  - b) Photovoltaics

Joe Awad contributed information for this survey. The website at [www.ci.pasadena.ca.us](http://www.ci.pasadena.ca.us) is currently under construction.

## Imperial Irrigation District

Public benefit funds have been substantially increased from \$604,060 spent in 1996 to approximately \$4.0 million in 1998. As required by AB 1890, Imperial reinvests money collected from the public benefits charge into the community. See **Table 3**.

<b>Table 3</b>	
	Dollar Amount
Low Income Assistance (see below)	N/A
Energy Efficiency (see financial breakdown below)	N/A
RD&D & Renewable Energy (no program specifics)	N/A
Demand-Side Mgmt.Programs (no program specifics)	N/A
<b>Total</b>	<b>\$4,000,000</b>

1. Low-Income Assistance
  - a) 10 percent discount of monthly electric bill for qualified applicants
  - b) The unemployment rate in Imperial County is between 17 and 30 percent. Imperial Irrigation District has asked Assemblyman Jim Battin and Senator Steve Peace to study the effects of state mandated public benefits charges on low-income, high unemployment districts.
2. Energy Efficiency
  - a) Energy Audits
  - b) Lighting Programs

Ron Cox, Power Manager, provided the information for the survey. More information can be found at [www.iid.com](http://www.iid.com).

## Anaheim Public Utilities

Anaheim Advantage offers a collection of programs to the community. The Residential Savings Program includes a demand-side management and energy efficiency focus. The Business Solutions Program consists of energy efficiency and reduced rate discounts. **Table 4** represents the budget for 1998-1999; the total dollar amount is approved by the City Council. The money has been budgeted, but it is subject to change prior to expenditure.

<b>Table 4</b>		
		Dollar Amount
Low Income Assistance	(see below)	\$1,303,000
Energy Efficiency	(see below)	\$4,357,000
RD&D	(no program specifics)	\$1,407,000
Renewable Energy	(no program specifics)	\$ 52,000
<b>Total</b>		<b>\$7,119,000</b>

1. Low-Income Assistance
  - a) Qualified seniors are eligible for a 10 percent discount of monthly bill
2. Energy Efficiency
  - Residential
    - a) Air Duct Efficiency
    - b) Bilingual Bill Education
    - c) Dusk to Dawn Lighting Program
  - Business
    - a) Energy Audits
    - b) Dusk to Dawn Lighting Program
    - c) Energy Efficiency Rebates

Information contributed by Janis Lehman and Phil Hayes of Anaheim Public Utilities, for more detailed information, see [www.anaheim.net/anaheim/utilities](http://www.anaheim.net/anaheim/utilities).

## Central California

### Lodi Electric Utility

In 1998 estimates of total revenue were approximately \$35,965,000. Lodi has obligated, but not necessarily expended one million dollars to the newly created benefit budget. **Table 5** details a breakdown of funds allocated to each category:

<b>Table 5</b>		Dollar Amount
Low Income Assistance	(see below)	\$318,000
Energy Efficiency	(see below)	\$324,000
RD&D	(under development)	\$ 68,000
Renewable Energy	(see below)	\$290,000
<b>Total</b>		<b>\$1,000,000</b>

1. Low-Income Assistance
  - a) Discount available to qualified customers who receive Social Security Benefits
  - b) Programs for customers with extra electricity needs due to medical reasons
2. Energy Efficiency
  - a) Dawn to Dusk Lighting Program for qualified customers
3. Renewable Energy
  - a) Green Power Program

Rob Lechner of Customer Programs provided information for this report. Additional information can be obtained at [www.lodi.gov/html/departments](http://www.lodi.gov/html/departments).

### Modesto Irrigation District (MID)

MID has allocated \$3,829,000 to be spent on public benefits programs in 98/99. MID maintains a “balance account” for each of the four categories. If there is money that has not been spent in one of the categories and another program needs extra money, it is available to transfer as necessary. The amount of money budgeted is subject to change prior to expenditure. See **Table 6** below.

<b>Table 6</b>		Dollar Amount
Low Income Assistance	(see below)	\$1,788,143
Energy Efficiency	(see below)	\$1,814,946
RD&D	(see below)	\$ 149,331
Renewable Energy	(see below)	\$ 76,580
<b>Total</b>		<b>\$3,829,000</b>

1. Low-Income Assistance
  - a) Direct Weatherization Program
  - b) Voluntary Contribution Program
2. Energy Efficiency
  - a) Power Saver Program
  - b) Commercial Energy Audits
  - c) Residential Energy Audits
3. R D & D
  - a) Electric Vehicle Program
  - b) Automatic Meter Reading Program
4. Renewable Energy
  - a) Small Hydro

Chris Mayer contributed information for this survey. More information can be viewed online at [www.mid.org](http://www.mid.org)

## Turlock Irrigation District

The Electric Revenue for 1998 was \$101,841,137 and Public Benefit expenditures were \$2,943,783. Turlock plans to set up an internal mechanism to keep track of expenditures and will monitor the programs annually. Research is being conducted on different programs for future district participation. **Table 7** below indicates the programs available to the community and the funds expended on each program.

<b>Table 7</b>		
		Dollar Amount
Low Income Assistance	(see below)	\$ 439,803
Energy Efficiency/Demand Side Mgmt.	(see below)	\$2,111,384
RD&D	(see below)	\$ 262,444
Renewable Energy	(see below)	\$ 130,153
<b>Total</b>		<b>\$2,943,783</b>

1. Low-Income Assistance
  - a) Rate Relief
  - b) Life Support Discount
  - c) Salvation Army Assistance Program
2. Energy Efficiency/Demand-Side Management
  - a) Personnel Expenditures
  - b) Rebate Program
  - c) Test Equipment



- d) Materials and Supplies
  - e) DSM Rate Structure
3. R D & D
- a) Load Research
  - b) Automated Meter Reading
  - c) APPA Deed Program
  - d) Hydrocomp Model
  - e) Field Test Equipment
4. Renewable Energy
- a) Weather Modification Program
  - b) Small Hydro Efficiency Study

Information provided by Bob Hondeville, Boyd Wilson and Michelle Bonander. For more details about Turlock Irrigation District, see [www.tid.org](http://www.tid.org).

## **Northern California**

### **City of Redding**

The City of Redding has designated between \$1,615,000 and \$1,711,000 to public benefit programs for years 1999–2001. A staff report was recently sent to City Council for approval of proposed public programs. **Table 8** below illustrates those proposed programs.

<b>Table 8</b>			
	1999	2000	2001
Low-Income Assistance (see below)	\$300,000	\$300,000	\$340,000
Energy Efficiency (see below)	\$786,000	\$912,000	\$882,000
Public Education (see below)	\$529,000	\$479,000	\$469,000
Renewable Energy (see below)	n/a	\$ 20,000	\$ 20,000
<b>Total</b>	<b>\$1,615,000</b>	<b>\$1,711,000</b>	<b>\$ 1,711,000</b>

1. Low-Income Assistance
  - a) Lifeline Rate for qualified customers
2. Energy Efficiency
  - a) Demand-Side Management Programs
  - b) Civic Center Glass Project
  - c) Low Interest Loans
3. Public Education
  - a) Customer Assistance and Education Programs
  - b) Deregulation Education

4. Renewable Energy
  - a) Methane Gas Electric Generation from Landfill

Information provided by Brian Cope, Angie Baker and Lowell Watros.

## Sacramento Municipal Utility District

In 1999, SMUD has allocated 3.7 percent of 1994 total revenue towards public benefit programs. The total amount is equal to \$24.2 million. **Table 9** below compares 1998 and 1999.

<b>Table 9</b>		
	1998 (in millions)	1999 (in millions)
Low-Income Assistance (see below)	\$ 4.2	\$ 5.2
Energy Efficiency (see below)	\$14.4	\$13.6
R D & D (see below)	\$ 1.9	\$ 1.8
Renewable Energy (see below)	\$ 3.7	\$ 3.6
<b>Total</b>	<b>\$24.2</b>	<b>\$24.2</b>

1. Low-Income Assistance.
 

In a May 2, 1999 article in the *Sacramento Bee*, SMUD commented on its low-income assistance program. SMUD determined that relatively few customers are taking advantage of the program, it is estimated that 80 percent of those eligible are not participating and receiving benefits. SMUD has set out to change those numbers and recently hired a new outreach worker. They are also printing up fact sheets on the program in various languages for those residents in the Sacramento area who do not read or speak English.
2. Energy Efficiency
  - a) Advantage Homes
  - b) Compact Fluorescent Lights
  - c) Energy efficient Washing Machines
  - d) Peak Corps
  - e) Sacramento Shade Tree Program
  - f) Security Lighting
3. R D & D
  - a) Solar Thermal Technologies
  - b) Advanced Fuel Cells
  - c) Electric Vehicles
  - d) Ground Source Heat Pumps
4. Renewable Energy
  - a) SMUD's Greenergy Program

SMUD has also established a \$20 million loan program for energy efficiency upgrades, which is not included in the overall public benefit budget.

Information for this report provided by Jim Parks. To view more information on SMUD, see [www.smud.org](http://www.smud.org).

## CALIFORNIA PUBLICLY-OWNED UTILITIES SURVEYED

City of Alameda Bureau of Electricity	City of Anaheim PUD
City of Azusa Light and Water	City of Banning Public Utilities
City of Burbank PSD	City of Glendale PSD
Imperial Irrigation District	City of Lodi Water and Electric
Los Angeles Dept Water and Power	Merced Irrigation District
Modesto Irrigation District	City of Palo Alto Utilities
City of Pasadena Water and Power	City of Redding Water and Electric
City of Riverside PUD	City of Roseville Water and Electric
Sacramento Municipal Utility District	City of Santa Clara–Silicon Valley Power
Turlock Irrigation District	City of Vernon Water and Electric*

\* Only nine representative utilities are highlighted in the survey

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